

EXPANSION SHOWN IN RESERVE BANKS

Deposits, Acceptances and Total Reserves Are Largely Increased.

DISCOUNTS ARE FEWER

Decreases in Amounts of Bonds and Treasury Notes on Hand.

WASHINGTON, Oct. 28.—Gains of over \$15,000,000 in total reserves and in net member bank deposits and a large increase in the amount of acceptances held by the Federal reserve banks are indicated by the weekly bank statement issued today by the Federal reserve board as at close of business on October 27, 1916. Gold reserves show an increase for the week of \$13,700,000. Aggregate gold holdings of the system, including the amount held by Federal reserve agents against notes issued, are now \$611,181,000, a gain of nearly \$225,000 for the last six months and of over \$192,000,000 for the year.

All banks except Philadelphia, Chicago, Dallas and San Francisco report larger gold reserves than the week before. Boston reports an increase of \$2,800,000 in its gold holdings, the result of liquidation of acceptances and warrants, also of the reduction of the balances due from other Federal reserve banks. New York's gain of gold for the week, \$13,300,000, is due chiefly to transfers to its account on the books of the gold settlement fund of balances due from other Federal reserve banks and to a smaller extent to increased government and member bank deposits.

In the case of Kansas City the increase of gold by \$13,300,000 is due to increased deposits and reduced discounts.

Increased balance on hand with other Federal reserve banks, while the increase of gold reserve shown to the St. Louis bank is due chiefly to an increase in deposits.

Decrease in Discounts.

Discounts, up on the decrease of \$2,400,000 in the member bank deposits reported, declined by the three Southern banks being offset in part by increases shown for the Minneapolis and New York banks. The total discounts include \$1,090,000 advanced to eight member banks, which is a record for a week.

Decreases on hand to all banks, the largest amount ever shown in the week's statement, and represent a gain of \$3,400,000 for the week. Large increases holdings of the class of paper are reported by the Atlanta, Chicago, Dallas and San Francisco banks. Of the total little, including increases on hand, 34.8 per cent mature within thirty days, and 35.5 per cent after thirty, but within sixty days.

Transactions in United States securities are reported as follows: A decrease of \$866,000 in the amount of Treasury notes on hand, liquidation on a large scale of matured warrants is mainly responsible for the decrease of \$2,622,000 in the total holding of individual warrants.

Total acceptances are given as slightly over \$18,000,000, which is an 8 per cent of the total paid in capital of the banks against 231 per cent shown the week before. Of the total earning assets, 45.5 per cent is represented by acceptances, 21.4 per cent by United States bonds, 15.8 per cent by warrants, 11.1 per cent by discounts and 6.1 per cent by Treasury notes.

Governments and trusts decreased \$2,346,000, all the banks except Boston, reporting larger Government funds on hand. All the banks except Boston and Chicago report considerable gains in net member bank deposits.

Federal bank notes in circulation are given as \$1,031,000, a slight decrease for the week. The total of Federal reserve notes issued to the banks by the agents is \$24,487,000 net, or \$1,032,000 in excess of notes outstanding for sixty days from agents, the total shown in the week's statement, the largest amount ever held.

The gains in the week ended October 27, 1916, were as follows:

Interest rates on loans and discounts are given as follows:

Commercial paper—Bank of America.

Commercial paper—Bank